EXHIBIT 1

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

In re:

Docket #18cv11386

SPECTRUM DYNAMICS MEDICAL LIMITED, : 1:18-CV-11386-VSB-KHP

Plaintiff,

- against -

GENERAL ELECTRIC COMPANY, et al., : New York, New York

February 25, 2021

Defendants. :

-----: TELEPHONE CONFERENCE

PROCEEDINGS BEFORE THE HONORABLE KATHARINE H. PARKER, UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For Plaintiff: RIVKIN RADLER LLP

> BY: GREGORY MILLER, ESQ. 25 Main Street, Suite 501

Court Plaza North

Hackensack, New Jersey 07601

GREENBLUM & BERNSTEIN, PLC BY: NEIL GREENBLUM, ESQ. BRANKO PEJIC, ESQ. JILL BROWNING, ESQ. 1950 Roland Clarke Place

Reston, Virginia 20191

Transcription Service: Carole Ludwig, Transcription Services

155 East Fourth Street #3C New York, New York 10009

Phone: (212) 420-0771

Email: Transcription420@aol.com

Proceedings conducted telephonically and recorded by

electronic sound recording;

Transcript produced by transcription service.

APPEARANCES (Continued):

For Defendants: THOMPSON HINE LLP

BY: MARLA BUTLER, ESQ.

Two Alliance Center

3560 Lenox Road, NE, Suite 1600

Atlanta, Georgia 30326

THOMPSON HINE LLP

BY: JEFFREY METZCAR, ESQ.

Discovery Place

10050 Innovation Drive, Suite 400

Dayton, Ohio 45342-4934

THOMPSON HINE LLP

BY: JESSE JENIKE-GODSHALK, ESQ.

312 Walnut Street, 14th Floor

Cincinnati, Ohio 45202

THOMPSON HINE LLP

BY: BRIAN LANCIAULT, JR., ESQ.

335 Madison Avenue

New York, New York 10017

INDEX

$\hbox{\tt E} \hbox{\tt X} \hbox{\tt A} \hbox{\tt M} \hbox{\tt I} \hbox{\tt N} \hbox{\tt A} \hbox{\tt T} \hbox{\tt I} \hbox{\tt O} \hbox{\tt N} \hbox{\tt S}$

WitnessDirectCrossDirectCross

None

EXHIBITS

None

```
1
                           PROCEEDINGS
 2
                         Calling case 18cv11386, Spectrum
             THE CLERK:
 3
    Dynamics Medical versus General Electric Company. The
   Honorable Katharine H. Parker, presiding. Starting with
 4
    counsel for the plaintiff, can you please make your
 5
    appearance for the record?
 6
 7
             MR. GREGORY MILLER: Good morning, Your Honor.
 8
    Gregory Miller, Rivkin Radler, on behalf of the
 9
    plaintiffs. Also with me on the line, we have Neil
10
    Greenblum, Branko Pejic and Jill Browning from Greenblum &
11
    Bernstein.
12
             HONORABLE KATHARINE H. PARKER (THE COURT): God
13
   morning.
14
             THE CLERK: And counsel for the defendants, could
15
    you please make your appearance for the record.
16
             MS. MARLA BUTLER: Yes, this is Marla Butler and
17
    with me on the call is Jeff Metzcar, Jesse Jenike-Godshalk,
    and Brian Lanciault, all of us from Thompson Hine
18
19
    representing the defendants.
20
             THE COURT: Good morning. As you all know, we are
21
    making an official recording of this call and you can order
22
    a transcript within three days. Also I'd ask that
23
    everybody keep their phones on mute unless you're speaking
24
    to eliminate background noise, and to state your name
25
   before speaking for the benefit of a court reporter who may
```

1 PROCEEDINGS be asked to transcribe this call. The line is open to the 2 3 press and public on a listen only basis and court rules prohibit the others from recording and rebroadcasting court 4 conferences. Violations of this rule may result in 5 sanctions. 6 7 You all have quite a lot of issues that you've raised in your letter from February 18. We'll go through 8 9 them today. I want to put one issue, I want to deal with 10 one issue quickly and that relates to the request to admit. I'm going to be issuing a short decision later today, but 11 12 I'm granting the protective order with respect to the 13 motion to dismiss -- with the motion for a protective 14 order, I'm sorry. Because the requests were not 15 appropriate under Rule 36 and they are unduly 16 burdensome. So you'll see my decision outlining the 17 reasons in more detail later today. I also want to just address these letters. 18 19 There's a lot of, I think that these pre-conference 20 letters should be shorter. I don't want the letters to 21 be creating a lot of work for you. They're intended to really be summaries of issues to discuss. And if I 22 23 need additional briefing I'll, you know, take the additional briefing. So the joint letter should be 24 25 limited to six pages and if, and you'll have a chance

```
1
                         PROCEEDINGS
   to raise issues and, again, if further briefing is
2
3
   needed, we can decide that at the conference. But
 4
   going forward I want you to limit the letters to six
   pages and to a more summary of the issues to talk
5
 6
   about.
7
            So going forward, let's talk about just the
   issues, we'll start with the plaintiff's issues in the
8
9
            First is the supplemental infringement
   letter.
10
            So what I -- I'm not quite sure what the
   claims.
11
   concern is from Spectrum so I'd like to hear from
12
   plaintiffs on this.
13
            MR. BRANKO PEJIC: Sure, Your Honor, this is
14
   Branko Pejic. Basically what happened is Your Honor
15
   was absolutely correct in asking the parties to have a
16
   virtual inspection of the actual Veriton as sold and
17
   offered for sale in the United States. And that
   revealed that the Veriton did not operate in the same way
18
19
   as the mockup which was initially accused by GE. And so
20
   GE, when they provided their supplemental infringement
21
   contentions maintained the same infringement contentions
22
   and accused the same mockup device of infringement that
23
   could not be sold in the US. And moreover,
```

PROCEEDINGS

1

2 6 THE COURT: Okay, so let me just stop you for 7 a second. The mockup from the -- that was used in the United States is not a real machine, is that, the real, is 8 that right, there's only one real machine that's in use in 10 the United States and it is identical to the one in Israel 11 that was demonstrated through video? 12 MR. PEJIC: Yes. For all materials intents and 13 purposes, correct, Your Honor. 14 THE COURT: Okay. And so the functionality 15 that you say the mockup, that the mockup had that the 16 actual device does not have is not functionality, 17 that's not something that is going to be sold in the 18 machine in the United States, is that correct? 19 MR. PEJIC: It's not being sold -- correct, Your 20 Honor, it's not being sold in the machine. And 21 moreover, the mockup, as you said, wasn't even a 22 machine, it was running on display simulations and 23 software, just it's a completely different animal. 24 THE COURT: Why were you, why was Spectrum 25 showing features that it's not selling, that doesn't

```
1
                         PROCEEDINGS
2
   make sense to me?
3
            MR. PEJIC: Your Honor, they were not showing,
   or selling, or offering for sale features because, in
4
   fact, if documents we produced to the other side, we
5
   couldn't offer this for sale based upon the
 6
7
   representations to the US government and customs. So
   it was never offered for sale. And furthermore, the
8
   device,
                          Essentially what it was doing is
11
   showing how nimble the machine could be with the arms,
12
   but it's not, it was never offered for sale. And it's
13
   a different machine than what is actually being sold.
14
   It didn't have --
15
            THE COURT: But that doesn't answer my
16
   question. What's the point of showing features or
17
   what it could do if you can't purchase it with those
18
   features?
19
            MR. PEJIC: Your Honor, I don't have an answer
20
   for that. I haven't asked Spectrum. I just know that
21
   they never intended that device to be offered for sale
22
   or representative of what was actually going to be the
   commercial device. I mean --
23
24
            THE COURT: That doesn't -- I understand what
25
   you're saying, but it doesn't make any sense from a,
```

```
1
                         PROCEEDINGS
2
   it doesn't make any sense that a business would have
3
   people looking at a device functionality that it's not
 4
   offering.
            MR. PEJIC: But, Your Honor, we need to back
5
6
   up a little bit because we're being very superficial
7
   in our discussion. The claims of the 595 patent that
   we're talking about, not only is the movement of the
8
9
   arms, it's the ability to take information at certain
10
   points and move the arms in certain places. And the
   mockup can't do any of that, did not do any of that.
11
12
   And the current device that Spectrum is selling also
13
   doesn't do that. So we're really here on, you know,
14
   on frolic and detour. I'm not sure why this
15
   infringement is being asserted.
16
            You know, obviously I would have --
17
            THE COURT:
                         On the 595.
            MR. PEJIC: Correct, Your Honor. And I'd have
18
19
   to say the Veriton is commercially sold, let's not
20
   infringe the 595 because defendants did not base their
21
   infringement contentions on the commercial device.
                         Well that I, that's the whole
22
            THE COURT:
23
   purpose why you showed the commercial device.
            MR. PEJIC: Correct, Your Honor.
24
25
                         So what does, what does GE have to
            THE COURT:
```

PROCEEDINGS say about this and the 595 patent? MR. JEFFREY METZCAR: Yes, Your Honor, this is Jeff Metzcar for the defendants. So, as you know, GE asserted infringement of the 595 based on a video, a public demonstration of a product identified as the Veriton. THE COURT: Yes. MR. METZCAR: And that device showed arm movements that were important to the 595 patent. During the inspection, Spectrum was keen to, you know, prove that the actual product could not perform those arm movements. And that's fine, but throughout the inspection they were

And moreover, you know, what was going on during the inspection was not actual testimony. So GE promptly served very targeted discovery requests after that inspection to confirm that the device that is actually sold in the United States cannot perform the functions that were demonstrated in the United States. We've represented if Spectrum provides complete responses we would be willing to potentially dismiss that 595 patent from the case, we're just waiting for those responses.

```
1
                         PROCEEDINGS
                                                    11
2
                        Your Honor, may I respond?
            MR. PEJIC:
3
            THE COURT: Let me just, I would like to just
4
   ask Mr. Metzcar a few questions. So, Mr. Metzcar, if,
   I quess there's, in your mind is there a distinction
5
   as to whether or not there will be a device offered
 6
7
   for sale in the United States that performs these
   functions versus whether it could potentially be modified
8
9
   to perform those functions?
10
            MR. METZCAR: Well, yes, Your Honor. The reason
11
   why we thought it important to serve these discovery
12
   requests is because there's a continuing duty to
13
   respond or to supplement the response. Our concern is
14
   if we just drop the patent immediately and Spectrum
15
   has already demonstrated the ability to make a Veriton
16
   move its arms in the way that infringes the 595
17
   patent, you know, we don't want to drop the patent and
18
   then have a software patch or update delivered the
19
   very next week that allows the Veriton to perform in
20
   an infringing way. So we served the discovery
21
   requests in the hope that Spectrum will clarity or
22
   confirm that the device does not operate in the way it
23
   was demonstrated and have a going forward obligation
24
   to supplement those responses.
25
            THE COURT: Well, okay, so the discovery
```

```
1
                         PROCEEDINGS
                                                    12
2
   request is an interrogatory?
3
            MR. METZCAR: We served 4 interrogatories and
   I believe 12 requests for admission that, again,
4
   they're very specifically targeted at confirming that
5
   the device that is sold in the United States, does not
6
7
   perform in the manner demonstrated in Chicago in 2018.
            THE COURT: Okay.
8
9
            MR. METZCAR: And quite frankly -- oh, I'm
10
           You know, the 30 day deadline to respond -- I'm
   sorry.
11
   sorry, go ahead.
12
            THE COURT: So is there, is plaintiff going to
13
   respond to that? I assume that these --
14
            MR. PEJIC: Your Honor, in fact, we've already
15
   produced 10 documents including the shipping invoices
16
   and the manifests showing that the device was a mockup
17
   that didn't have any of the features that would be
18
   necessary to infringe the 595 patent. And in addition
19
   to what we believe to be unequivocal statements and
20
   testimony in the inspection, I mean I did understand
21
   that to be pursuant to court order, so I do sort of
22
   take a little offense at the implication that anyone
23
   wasn't telling the truth. But, yes, we're also going
24
   to respond to the RFAs and the interrogatories which
25
   I'll note does have some contention aspects to them.
```

```
1
                         PROCEEDINGS
                                                    13
2
   but we'll go ahead and respond to those. But then we
3
   anticipate GE dropping this 595 patent because it's
   not properly in suit --
 4
            THE COURT:
5
                         Sure.
 6
            MR. PEJIC: And, if not, we really are
7
   considering seriously Rule 11 because plaintiffs, I
   mean defendant, GE, does not have a good faith basis to
8
9
   accuse the mockup infringement.
10
            THE COURT: Okay. Well I think if you can provide
11
   those answers GE can drop the claim. In my mind it would be
12
   without prejudice because if this suit ends and you
13
   later infringe on the patent, you know, having nothing
14
   to do with this case but sometime in the future, that
15
   wouldn't preclude a future claim.
16
            MR. METZCAR: We would not require them to
17
   provide a covenant not to sue, Your Honor, so I think
18
   I agree with you.
19
            THE COURT: Yes. Okay. So it seems like this
20
   is really not an issue, this issue, one, in that this
21
   claim related to the 595 patent may be, may be moot.
            MS. BUTLER: Your Honor, this is Marla Butler,
22
23
   can I just make a point here that I think goes to this
24
   issue which you expressed towards the beginning and
25
   that's kind of trying to limit what these letters
```

1 PROCEEDINGS 14 cover and the issues that are before the Court. 2 3 THE COURT: Yes. This, Your Honor, is a perfect 4 MS. BUTLER: 5 example of something that is not a dispute and should not be before Your Honor. GE filed this claim based 6 7 on a public demonstration in Chicago of a device without the information that was provided by counsel 8 9 after this suit was filed. GE had a perfectly 10 legitimate basis for filing its counterclaim of 11 infringement of the 595 patent. A demonstration of a 12 machine that we were told by counsel is representative 13 of a machine in the United States was shown to us. There 14 were statements by counsel during that video and GE made 15 clear that all we are looking for is the actual evidence 16 that just backs up those statements of counsel. This is 17 an instance where we should have served these 18 interrogatories, requests for admissions, Spectrum 19 responded to them, and assuming those responses are 20 consistent with statements of counsel, the 595 patent will 21 be gone from this case. 22 But instead what we have is Spectrum's counsel 23 threatening Rule 11 sanctions without even having provided 24 the evidence that will allow GE to drop the patent. I just 25 wanted to say that's a perfect example of the kind of

```
1
                         PROCEEDINGS
                                                   15
   thing that shouldn't be before the Court.
2
3
            MR. PEJIC: Your Honor, may I respond?
 4
            THE COURT: No, no, no, I really don't want to
   engage in mudslinging and so forth, this is not,
5
   let's, I've already instructed the parties to just
6
7
   limit the letters to six pages, and I really only -- I
   really only want to deal with issues that are
8
9
   necessary to deal with in these conferences.
10
   think that we've dealt sufficiently with this issue
11
   one and that within the next 30 days I'll expect that
12
   GE is going to be withdrawing the 595 claim.
13
            So now let's go onto this deposition of Mr.
14
            So this also appears to not be a dispute
   Hefetz.
15
   because, as I understand it, GE is going to have him
16
   appear, am I correct?
17
            MR. PEJIC: Your Honor, this is Mr. Pejic.
                                                          Wе
18
   simply wanted to put this on the record so that the
19
   agreement was memorialized. Because I don't know if
20
   Your Honor is aware, but certainly Judge Broderick is,
21
   that Mr. Hefetz has been a subject of motions to
22
   dismiss and various other issues including dismissal
23
   based upon no jurisdiction over him. And so it's
24
   important to spectrum to get his discovery and so we
25
   were moving under the Hague Convention knowing the
```

```
1
                         PROCEEDINGS
                                                   16
2
   timeframes in play. And based upon defendants now
3
   representing that Mr. Hefetz will appear voluntarily,
   we're foregoing the ability to pursue the Hague and
   should they change their minds later we would be in a,
5
   how should I put it, in a bad place --
 6
7
            THE COURT: Okay, sure. Okay, that's
8
   understandable and that's fine, and it's noted for the
9
   record that GE is going to arrange for his voluntary
10
   production pursuant to Rule 30.
11
            Okay, so now let's talk about this designation
12
   of Dr. Turkington.
13
            MR. PEJIC: Yes, Your Honor --
14
            THE COURT: Also this is another issue that GE
15
   says is not ripe yet. So what's going on with this.
            MR. PEJIC: Okay. This is Branko Pejic again
16
   for plaintiffs. GE identified Dr. Turkington as an
17
18
   expert under the protective order to have access to
19
   Spectrum highly confidential information. We went
20
   through GE's documentation
```

1 PROCEEDINGS 17 2 And so after showing all that we brought our objections to plaintiff -- to GE. 4 We had our meet and confer and they told us that they 5 were imminently going to reach out to the Court and 6 7 seek to address our objections. But we're sitting here significantly later now not knowing whether GE 8 9 wants to maintain that or not. And, frankly, if they 10 tell us they're withdrawing Dr. Turkington without 11 prejudice to move again to have them brought under the 12 protective order, that's fine, but as it now stands, 13 they could file, you know, a brief on a Friday and 14 we'd be scrambling and blindsided. We just sort of 15 want to know --16 THE COURT: Well you can always, if you need 17 time to do something you don't need to scramble. I'm 18 not going to let you be blindsided. There's regular monthly conferences and if you need additional time, 19 20 I'm not going to deny you additional time if there's 21 good reason for it. So it seems as if this, this 22 issues is not ripe and when GE makes a decision about 23 whether it's going to utilize Dr. Turkington, I take it GE still hasn't decided as of today? 24 25 MS. BUTLER: That's correct, Your Honor, this

```
1
                         PROCEEDINGS
                                                   18
   is Marla Butler. I'm sorry. I'm sorry, Jesse, I cut
2
3
   you off, this was your issue, you go ahead.
 4
            MR. JESSE JENIKE-GODSHALK:
                                         That's okay, I'll
   just echo what Marla just said, this is Mr. Godshalk.
5
   Yes, we have not made a decision yet about, with
6
7
   regard to Dr. Turkington.
            THE COURT:
                        Okay.
8
9
            MR. PEJIC: And this is Mr. Pejic, Your Honor,
10
   thank you for letting us know that. My concern was
   under Your Honor's discovery rules with the two-day
11
12
   turnaround, that we could get blindsided and have to
13
   respond very expeditiously. But thank you for
14
   clarifying and I think we're okay.
15
            THE COURT: And also I expect that counsel on
16
   both sides will show each other courtesy. So if you
17
   simply file a letter or ask your adversary, you know,
18
   we'd like four days or whatever to respond to this,
19
   you can always, I'm not going to deny reasonable
20
   extensions of time, okay, particularly if it's a
21
   complex, you know, complex issue.
            MR. PEJIC: Understood, thank you very much.
22
23
            THE COURT: So let's go to the next issue,
24
   this production of documents regarding the dates of
25
   conception. I think that with respect to the 595
```

```
1
                         PROCEEDINGS
                                                   19
2
   patent sort of since that claim is going to be
3
   withdrawn, we're really just talking about the 439
 4
   patent. And as I understand it, GE has produced the
   dates when it first contacted counsel about preparing
5
   the patent prosecution and that would, that date would
 6
7
   give everyone an idea about when the concept, that the
   concept was already baked and that, you know, you were
8
9
   going to prepare it for this prosecution.
10
            So what additional, what additional
   information is GE producing because there's some
11
12
   additional information that Spectrum has requested
13
   here?
14
            MR. JENIKE-GODSHALK: Yes, Your Honor, this is
15
   Jesse Godshalk. So we have produced additional
16
   documents. At Spectrum's request we specifically went
17
   looking for documents evidencing the conception of the
   439 and 595. I think there was specifically a request
18
19
   for lab notebooks and invention disclosures, drawings,
20
   that sort of thing.
21
                        Right.
            THE COURT:
22
            MR. JENIKE-GODSHALK: Yes. We went looking
23
   for that, we collected it, we produced it, you know, I
24
   think, in fact, there's agreement between the parties
25
   that we have produced documents that bear on the
```

```
20
 1
                         PROCEEDINGS
2
   conception of the two asserted patents.
3
            THE COURT: Okay. So what else, Mr. Pejic, do
   you need with regard, let's just focus on the 439
4
   because I'm operating under the assumption that the
5
   595 is going away and that will reduce discovery,
6
7
   obviously?
            MR. PEJIC:
                        That would but there are two
8
9
   issues that are being somewhat mixed up here and we
10
   have to unpeel the fact that separate and apart from
11
   the 439 and 595 that were asserted, there are also the
12
   misappropriated GE patents that are subject to
13
   Spectrum's Section 256 correction of inventorship
14
   claim.
            THE COURT: Um-hmm.
15
16
            MR. PEJIC: And we're entitled to know the
17
   dates of conception of those additional 15 patents
18
   because that bears directly on whether or not it's
19
   independently invented or conceived of, as alleged by
20
   GE, or whether that invention is truly based upon
21
   Spectrum information and thus Spectrum should be named
   or Spectrum individuals should at least be named as
22
23
   co-inventors to those patents.
24
            THE COURT: Sure, I understand, but I don't
25
   understand GE to be objecting to the production of
```

```
1
                         PROCEEDINGS
                                                   21
   that information. What I understand them to be saying
2
3
   is that they are collecting that information.
 4
            MR. JENIKE-GODSHALK: That's correct, Your
5
   Honor.
            MR. PEJIC: Well, Your Honor, that's the first
 6
7
   I've heard of that. And so I appreciate the
   representation and do we have a sense of when those
8
9
   documents will be produced?
10
            MR. JENIKE-GODSHALK: I'm not going to respond
   to your question, that's not how this works. But --
11
12
            THE COURT: So Mr. Godshalk, you're collecting
13
   that information as to the 17 patents, is that right?
            MR. JENIKE-GODSHALK: That is correct, Your
14
15
   Honor. We have been collecting, in collecting
16
   information from GE we have been collecting documents
17
                                  and to the various
18
   patents that are at issue. We're collecting
19
   everything we can get from GE on those issues. And
20
   then we're individually reviewing the documents and
21
   producing them. And, you know, we've already produced
   57,000 documents in this case and our review and
22
23
   production continues.
24
            THE COURT: What's the volume that you're
25
   reviewing right now, do you know?
```

```
1
                         PROCEEDINGS
                                                   22
            MR. JENIKE-GODSHALK: Ooh. You know, Your
2
   Honor, I don't.
3
 4
            THE COURT: Yes, I just wanted to get a sense
   of that, you know, if you have a million, if you have,
5
   you know, 500,000, just, 2 million, I don't know,
6
7
   because 17 patents is, that's a lot. So I just am, I
   don't have a good sense of what the volume, the volume
8
9
   would be.
10
            MR. JENIKE-GODSHALK: Yes, Your Honor, this is
   Jesse Godshalk again. You know, I just couldn't say.
11
12
   I couldn't even, I don't even want to try to offer a
13
   ballpark because I really just don't know what is
14
   currently, you know, in the pool of documents that are
15
   being reviewed. I just don't have a good sense of that
16
   volume currently.
17
            THE COURT: So you don't know, I mean, but you
   collected, you've collected information about these
18
19
   patents and they're being reviewed, they're on the
20
   platform now, or are you still collecting, as well?
21
            MR. JENIKE-GODSHALK: We are still collecting,
22
   as well, Your Honor. I mean we have collected and are
23
   continuing our collections.
24
            THE COURT: Okay. So in, are the document
25
   reviewers separately marking the documents as to what
```

```
1
                         PROCEEDINGS
                                                   23
2
   patents they belong to?
3
            MR. JENIKE-GODSHALK: No, we are not going at
   that granular level because there are already I think
 4
   20 or 30 different issue tags that they are tagging.
5
 6
            THE COURT: Yes, it can get very cumbersome if
7
   there's too many issue tags. Okay. So and do you
   know the rate of review? I mean are you doing like 60
8
9
   documents an hour or do you, how is it, is it taking
10
   longer than normal or pretty average pace?
11
            MR. JENIKE-GODSHALK: I think it's about an
12
   average pace. I think we have a team of just maybe
13
   five or six reviewers and I mean we've been making
14
   productions, you know, pretty sizable productions
15
   every, maybe every three weeks.
16
            THE COURT: Okay. Okay. So when do you
17
   anticipate completing the production?
18
            MR. JENIKE-GODSHALK: I mean I guess I don't
19
   have a date for you right now, Your Honor, just
20
   because, again, I'm not sure exactly how many
21
   documents we still have in the hopper. And I know that
22
   we are still collecting from at least one person I can
23
   think of. So I mean I guess I don't have a clear date
   in mind at this moment.
24
25
            THE COURT: Okay. So what I'd like GE to do
```

```
1
                         PROCEEDINGS
                                                   24
   is at the next case status conference, I'd like you to
2
3
   have a report on where you are on the collection and
 4
   what your estimated completion date is for the
   production of documents. And I, by then the 595 claim
5
   should go away and I don't know if you'll be able to,
 6
7
   you know, segregate and remove those documents from
   the review set because that would obviously cut review
8
   time. So but if you could have your document folks
9
10
   take a look at that and be prepared to report on that.
11
            Similarly, I want to ask Spectrum where it is
12
   on its production. You just did a large production of
13
   350,000 documents?
14
            MR. PEJIC:
                        Yes, Your Honor.
15
            THE COURT: Is that the entirety or are you
16
   still collecting and reviewing as well?
17
            MR. PEJIC:
                        I think we have two more
18
   custodians to review. I don't know if we have their
19
   documents yet. I believe we do, I know I've had that
20
   discussion so it's in the process. But we have gone
21
   and I believe we're substantially complete. Maybe,
22
   don't hold me to it, but I think 60 percent, 70
23
   percent complete.
24
            THE COURT: Okay, so I'd like you, I'd like
25
   Spectrum, as well, to be able to report at the next
```

1 PROCEEDINGS 25 2 case management conference as to where you are and 3 what your estimated completion date is. Because once 4 the parties have exchanged all these documents, then you can really get to the, you know, depositions. And 5 it's going to be important to complete this for claim 6 7 construction as well. MR. PEJIC: Your Honor, this is Mr. Pejic. 8 9 One point, and we'll get to it a little bit later, but 10 we have mentioned that we were thinking about and considering, well we are going to pursue a preliminary 11 12 injunction against the GE device and right now we're 13 seeing very little We don't have any manuals, 15 software manuals, and we've asked for this quite a bit 16 as part of the technical discovery. But we would ask 17 that GE endeavor to provide that in a timely manner, 18 as well. 19 THE COURT: Okay, let me hear from GE on this. 20 MR. JENIKE-GODSHALK: Yes, Your Honor, this is 21 Jesse Godshalk again. We just produced recently our, the so-called technical documents. And that was 35,000 22 23 documents. So my understanding is that many of those 24 documents or most, perhaps all relate to the so-called 25 accused GE device, So I don't understand

```
1
                         PROCEEDINGS
                                                   26
2
   the, you know, the accusation that there are few
3
   documents relating to that device. I mean they should
   have tens of thousands of documents about the device.
 4
            THE COURT: Okay, when were those produced?
5
6
   When were those produced, Mr. Godshalk?
7
            MR. JENIKE-GODSHALK: I believe it was either
   February 8 or February 9.
8
            THE COURT: Okay. So, Mr. Pejic, have you had
9
10
   a chance to look at those documents?
            MR. PEJIC: Yes, Your Honor, and most of those
11
12
   documents, as I was going to say, relate to the
13
   development of the device. And I, you know, we do have
14
   some problems with that production but it is providing
15
   relative responsive information. But what we're not
16
   seeing is the subsection of that discovery |
19
            THE COURT:
                         Okay.
22
            MR. JENIKE-GODSHALK: Your Honor, I'm not
23
   sure. I mean I would assume that there was something
24
   that, I mean I quess I should say as to your first
25
   question, I'm not sure. I assume that there was a
```

1 PROCEEDINGS 27 2 Certainly, two the extent that there was, that is something that 3 we are collecting and would produce. I mean we are 4 collecting, as I said, all documents relating to this 5 6 device. So, that, you know, we will, we have collected it or will collect it 8 9 and are producing it. 10 THE COURT: Okay, but let me ask, I mean this isn't, I guess there's two things, two thoughts I have 11 about this. One, it shouldn't be difficult to get 12 13 . And, two, any 14 motion for a preliminary injunction I think would be, 15 a preliminary injunction would be moot | 17 So I'm not, so Mr. Pejic, I don't know about 18 the timing of this, of this preliminary injunction motion that you're contemplating. I don't know whether 19 it makes sense to do that, to have that kind of motion 20 21 practice now. You're seeking injunctive relief in the suit generally, so that is relief you can get, but I'm 22 23 not sure of the necessity for an injunction motion at 24 this point as I understand it, it costs a

```
1
                        PROCEEDINGS
                                                 28
   lot of money to build these machines and some time to
2
3
   build the machines.
                                            that
   doesn't mean the machine is necessarily going to be
   marketed or sold the next day. But maybe I'm wrong
5
 6
   about --
7
            MR. PEJIC: Your Honor, this is Mr. Pejic.
                                                       GΕ
   can certainly tell us differently, but my
8
9
   understanding is GE is actively, how should I say,
10
   engaging people in regards to launching the imitation
11
   device. And also,
                                  So I think it's
14
   highly unlikely
                                and our concern
15
   is GE is taking orders now and is going to be ready to
16
   enter the market certainly almost immediately
           and at that point in time the opportunity
18
   for a preliminary injunction, you know, has been
19
   missed, you know, you can't un-ring a bell.
20
            THE COURT: Well, the Court can order
21
   injunctive relief and cancel the orders if it's
22
   infringing.
23
            MR. GREENBLUM: Your Honor, this is Neil
24
   Greenblum, if I could just add one thing?
25
            THE COURT: Sure.
```

```
1
                          PROCEEDINGS
                                                     29
2
                              If GE will tell us, if counsel
             MR. GREENBLUM:
3
   for GE will tell us that there are no machines in
4
   America right now, that might -- that might address
   your concern.
5
             THE COURT: But that's what I thought that
 6
7
   they previously represented. Ms. Butler, am I
8
   correct?
             MS. BUTLER:
9
                                     I'm sorry, this is Ms.
11
   Butler for the transcript.
12
             THE COURT: Right.
13
             MS. BUTLER: So I don't know the answer to that
14
   question. We can certainly find out, but I don't know how
15
   the presence of that machine in the United States tells us
16
   anything about the appropriateness of a preliminary
17
   injunction or any of the other issues.
             MR. GREENBLUM: It says whether or not sales are
18
19
   imminent
20
             THE COURT: Right, but this is a risk taken on
21
   by GE actually, as I see it, Mr. Greenblum and Mr. Pejic,
22
   the risk is GE -- if GE spends money on this machine and
2.3
   loses this suit, then it's wasted a whole lot of money.
             MR. GREENBLUM: Well, Your Honor --
24
25
             THE COURT: You're seeking an injunction.
```

```
1
                       PROCEEDINGS
                                               30
  Regardless, what I'd like GE to do is to locate
2
                  and to produce
   that. If it was already, you know, already intending
   to produce it, that should be easy to locate and
5
   produce that before the next conference.
6
7
           MS. BUTLER: We can do that, Your Honor.
           THE COURT: Okay, thank you.
8
9
           MR. GREENBLUM: Your Honor, this is Neil
10
   Greenblum again. I think that Your Honor is
11
   overlooking the fact that
                                it's proof of
  the trade secret misappropriation. And so |
13
        we assert has misappropriated features in
17
   it. And related to that --
18
           THE COURT: Okay, so you're getting this
19
   information and I've ordered,
                             , the production
21
   to be expedited before the next conference. So you'll
22
   have a chance to look at it and then to the extent you
23
   want to make a motion, then you can make a motion.
24
           MR. GREENBLUM: Your Honor (indiscernible)
25
   apprehension. The is a relatively
```

```
1
                         PROCEEDINGS
                                                   31
2
   superficial document that does not include what's
3
   inside the machine to any specific degree. That, it's
   a very big difference between that and a drug
 4
   application. The
5
                                 is at a very
   superficial level. And so what we need are the
 6
7
   technical documents that went into the machine, and
   those are what we are not getting.
8
9
            THE COURT: Well you've gotten 35,000
10
   documents thus far, you've gotten GE's commitment to
   produce it, it is producing, and you're going to get
11
12
   -- so there is no dispute here, you're getting these
13
   documents. And at the next conference both sides are
14
   going to tell me where you are in getting to
15
   substantial completion. So you're getting these
16
   documents. So this is a premature issue.
17
            MR. GREENBLUM: Your Honor, as to the 595 --
   you mentioned in passing that if the 595 drops out
18
19
   that the documents related to it are not so relevant.
20
   Whether or not GE is able to segregate them is a
21
   different issue. But I will tell you once again, Your
22
   Honor, the 595 is a misappropriated patent and so we
23
   are entitled to documents relating to that fact.
24
   Whether or not they are suing us on it or not, it's
25
   one of --
```

```
1
                         PROCEEDINGS
                                                   32
2
                        That's one of the 17 you're saying
            THE COURT:
3
   has your --
 4
            MR. GREENBLUM:
            THE COURT: Okay. All right. Okay, I'll
5
   stand corrected on that.
6
7
            Okay, so let's next go to item 7, this
   protective order modification.
8
9
            MR. PEJIC: Your Honor, are we skipping 5?
10
            THE COURT: Five being the production of
   documents evidencing GE's personnel's agreement to be
11
12
   bound by the terms of the agreement? Well I've
13
   already told you what I'm doing with the RFAs --
14
            MR. PEJIC: Correct, Your Honor.
                                              This is Mr.
15
   Pejic. I just wanted to point out one thing. In the
16
   documents that they have cited here, I've seen them,
   there are no NDAs actually being provided that we've
17
18
   located. And in particular,
                           that underlies this suit was
2.3
   enforced. So I, based upon this chart I can't tell
   whether those people
```

```
1
                         PROCEEDINGS
                                                   33
2
      I mean one would argue that you can't agree to
3
   be bound by an agreement not in force. So those folks
4
   that got Spectrum information, you know, that's a
   technical violation even. So what we're --
5
            THE COURT: So you've gotten your proof of a
 6
7
   violation is what I'm hearing.
            MR. PEJIC: It's a technical violation
8
   because, based upon what I see here,
14
            THE COURT: Okay, so but what are we talking
15
   about? It sounds like you have, you now have proof.
16
   You're getting the proof, you're getting the
17
   documents.
18
            MR. PEJIC: Well I don't know that I'm going
19
   to get the NDAs. I've asked for them many times and
20
   they have yet to be produced.
21
            THE COURT: Well if they can't produce them
22
   and there's a violation, then that's the -- that's
23
   your case, isn't it?
24
            MR. PEJIC: Your point is well taken, Your
25
   Honor.
```

1 PROCEEDINGS 34 2 MR. BRIAN LANCIAULT: Your Honor, this is Brian 3 Lanciault for the defense. I do just want to clarify, you know, to Mr. Pejic's point, But, further, I do just want to make clear 7 for the record that the technical violation they're claiming here is not a claim that has been pleaded, you 8 9 know, it's not in this case under the amended complaint. 10 MR. PEJIC: This is Mr. Pejic. I would beg to 11 differ, it was a breach of contract to --12 THE COURT: Okay, you know, counsel -- counsel, 13 we're not, we're not arguing about whether something is in 14 the pleadings or not here. Let's just go on to the 15 discovery issues. So in terms of number 7, this 16 protective order modification, I quess what I -- what 17 I'm wondering is why do you, why is this modification 18 necessary or appropriate? 19 MR. PEJIC: Well our concern is in bringing, in seeking the PI in this suit, the Court may find or 20 21 rule that it's, we're not, we can't bring it and it's 22 too late, or we can't bring it without leave under 23 Rule 15. And so in that situation, we would be forced 24 to seek the preliminary injunction -- the preliminary 25 injunction in a companion and related case. And in

```
1
                         PROCEEDINGS
                                                    35
2
   that sense we don't want to have to go through
3
   discovery again, we would just like to use the
   discovery here in pursuing that preliminary injunction
 4
   in a companion case.
5
            THE COURT: Well we've already talked about
 6
7
   the -- we've already talked about the preliminary
   injunction --
8
9
            MR. PEJIC: Correct, Your Honor.
10
            THE COURT: So I think that this is, you need
   to get the information because you don't even have the
11
12
   information yet to move on this basis. That's what
13
   I'm hearing.
14
            MR. PEJIC: Your Honor, this is Mr. Pejic,
15
   Your Honor is pointing out the dilemma we face.
16
            THE COURT: So I'm not going to rule on
17
   modifying the, modifying the protective order at this
18
   point, it's premature. You're getting documents and
19
   then we'll take it from there.
20
            MR. PEJIC: Understood, Your Honor.
21
            THE COURT: Let's move on to defendants'
22
   topics, this is the specificity of the charts of trade
23
   secrets. I have a copy of the chart, it's pretty detailed.
24
   So I'm not sure, in terms of what GE is requesting, I
25
   think it's a, I don't know that it's appropriate, this
```

1 PROCEEDINGS 36 2 is not really a discovery issue for the Court to rule 3 What I understand Spectrum to have done is it's on. outlined its trade secrets and the chart is very 4 specific, you know what they are, but Spectrum raises 5 a good point here that if in the course of discovery 6 7 it learns that there's non, learns from nonpublic information that there is some other trade secret that 8 9 was misappropriated, why should they be barred from 10 asserting that? I mean they could assert it is as a 11 new claim, I suppose, a new cause of action, but why 12 wouldn't that be, why would it be inappropriate to add 13 It's one thing to say they're not adding any, 14 unless they discovery something through previously, 15 you know, nonpublic information, a totally different 16 trade secret. 17 So I don't know that this really requires a ruling right now. There's no specific changes that 18 19 Spectrum is proposing. I'm not inclined to allow 20 discovery or to limit claims that are hypothetical at 21 this point. MS. BUTLER: Your Honor, this is Ms. Butler. 22 23 This issue I think is much narrower than perhaps is 24 apparent from the parties' letter. We're not 25 addressing in that letter and what we're bringing to

1 PROCEEDINGS 37 2 the Court at this point any subsequent alleged trade 3 secrets that Spectrum wants to assert. We'll stay 4 that for when they, if and when they want to assert Our focus is really on the trade secrets that 5 are in the case right now. 6 7 Your Honor I think agreed with us to some extent at least that the trade secrets that were in 8 9 the amended complaint could use some more specificity. 10 And what we got from Spectrum in this February 2^{nd} table of trade secrets, were certainly they added 11 12 documents that purport to show these alleged trade 13 secrets, And we're fine with that, Your 17 Honor, but our concern is we need to start building 18 our defense and we need some boundaries around what 19 these alleged trade secrets that are in the case right 20 now, what exactly they are. 21 And so all we're looking for is just 22 confirmation that as to trade secrets I think A 23 through R that are in this table of trade secrets that

was produced to us and provided to the Court, these

are the trade secret and Spectrum is bound to its

24

25

```
1
                         PROCEEDINGS
                                                   38
2
   description of those trade secrets so that we can
3
   start building our defense. I'm not addressing any
   additional trade secrets that they may try to insert
 4
   into the case at a later time.
5
            THE COURT: Okay. Well I think, I think I've
 6
7
   already stated that Spectrum is bound by the trade
   secrets as described in this chart. But as Spectrum
8
9
   points out, to the extent there are additional
10
   documents located that support the use of fact of the
   trade secrets as described, of course they can add
11
12
   documents, that's --
13
            MS. BUTLER: Understood.
14
            THE COURT: (indiscernible) that.
15
            MS. BUTLER: Understood, Your Honor. And that
16
   is, we're not challenging that, we're not asking the
17
   Court to say that they can't add documents. We
   understand that discovery is ongoing. It's really just
18
19
   as to the description of the trade secret so that we
20
   know what the boundaries are so that we can start
21
   building our defense.
22
            MR. GREENBLUM: Your Honor?
23
            THE COURT: Yes.
24
            MR. GREENBLUM: This is Neil Greenblum, can I
25
   add one thing?
```

```
1
                         PROCEEDINGS
                                                   39
2
            THE COURT:
                         Sure.
3
            MR. GREENBLUM: Last time I ended off by
   giving you a history of the case, I'm not going to do
4
5
          But Your Honor should be aware that there are
   two categories of information, there are trade secrets
 6
7
   and then there's what's called Spectrum confidential
   information.
8
9
            THE COURT: Um-hmm, sure.
10
            MR. GREENBLUM:
                             Spectrum confidential
   information is information that was provided to GE of,
11
12
   I'll be very basic, hey, GE, we're going to be making
13
   a machine and it's going to have these features,
14
   whatever they are. That knowledge alone was knowledge
15
   that was protectable, that was protected and
16
   protectable. And so this is, as I said the other day,
17
   these trade secrets are one aspect, but the fact that
18
   we have timelines, that we did simulations, that we
19
   did all kinds of analysis that we provided to them,
20
   that's, they should not be allowed to sell the machine
21
   because they knew we were going to sell a machine of
22
   this type. And they then --
2.3
            THE COURT: I don't really understand that.
24
            MR. GREENBLUM: Okay.
25
            THE COURT: Just because you are, you can't
```

```
1
                         PROCEEDINGS
                                                   40
   get rid of competition because, just because they know
2
3
   that you're developing something, so what? That's
 4
   not, I don't think that's what the law says. They
   can't use your confidential information, you know, to
5
   compete against you, that would be unfair competition.
6
7
   But --
            MR. GREENBLUM: That's exactly what happened
8
9
   here, Your Honor. The very piece --
10
            THE COURT: Okay, that will be subject to
11
   proof.
12
            MR. GREENBLUM: Of course. And at the, in this
13
   case the very people, Your Honor, who did the due
14
   diligence, were the people we now see who planned
15
   their project. So there's a very basic issue here --
16
            THE COURT: Okay, that's what you'll argue,
17
   but there is no issue on the trade secrets. On the
18
   trade secrets, as they're described in the chart, and
19
   you did provide a lot of detail in that chart, those
20
   are the trade secrets at issue. I understand it's
21
   separate from, from confidential information that
22
   doesn't rise to the level of trade secret but, you
23
   know, that's subject to, you've got to get discovery
   on that.
24
25
            MR. GREENBLUM: That's all I wanted to say,
```

```
1
                         PROCEEDINGS
                                                   41
2
   thank you, Your Honor.
3
            THE COURT: Okay, so then, let's see,
   where are we next. Next is the deficiencies in
 4
   Spectrum's document production. So here this seems to
5
   me to be somewhat of a nonissue because there was this
 6
7
   large production that GE hasn't had time to go
   through. So what I, what I'd like to do is to just
8
9
   table this issue about deficiencies until GE has had
10
   time to go through until next, until you have a meet
11
   and confer about this. But over the next month, what I
12
   want both sides to do is focus on getting to
13
   substantial completion, being prepared to report on
14
   it, and then you can talk about deficiencies. But
15
   right now it seems to me this is a premature issue.
16
            MS. BUTLER: Might I respond to that, Your
17
   Honor, this is Ms. Butler?
18
            THE COURT:
                        Sure.
19
            MS. BUTLER: Your Honor, we certainly had
20
   raise deficiencies in a letter to Spectrum's counsel
21
   and the deficiencies is not the issue that we're
22
   intending to seek some clarification on. In response
23
   to our deficiency letter, we got a response from
24
   Spectrum's counsel indicating that they were producing
25
   $350,000 documents which is a very large volume of
```

1 PROCEEDINGS 42 documents, even in a case of this size. And so all we 2 3 asked is for before we start, because the review of 4 these documents will be lengthy and very expensive for GE to review not 350,000 pages, 350,000 documents. 5 So before we begin this review, all we ask 6 7 Spectrum's counsel is to confirm that this is not a document dump. That they didn't just run some keyword 8 9 searches and then whatever came up pull out the lawyer 10 names and produce the documents, but that they 11 actually engaged in the process that we understand is 12 required in this Court to review individual documents 13 for relevance. 14 We have asked Spectrum's counsel that question 15 directly three separate times and we have not gotten 16 an answer yes or no. This reeks of a document dump, 17 Your Honor, and what we want to avoid is a situation where GE spends potentially \$100,000 reviewing 350,000 18 19 documents to learn that it's a document dump and then 20 we're before Your Honor seeking fees for that conduct. 21 If we can confirm that they reviewed each individual document for relevance, it's a nonissue. If they 22 23 didn't, it's a document dump, then we want them to fix 24 it before we engage in this process of review. 25 THE COURT: Okay.

```
1
                         PROCEEDINGS
                                                   43
2
                         Your Honor, can I respond?
            MR. PEJIC:
3
            THE COURT: Well, first of all, let me tell
   both sides what I expect is that you'll be
4
5
   identifying, normally under the rules you're
   identifying the base numbers of documents that are
6
7
   responsive to various document requests. Have the
8
   parties done that?
9
            MR. PEJIC: No, Your Honor.
10
            THE COURT: Has Spectrum done that?
11
                        Neither party has, Your Honor.
            MR. PEJIC:
12
                        Well why not?
            THE COURT:
13
                        I'm speaking, this is Branko
            MR. PEJIC:
14
   Pejic, I'm speaking for myself is I didn't understand
15
   that to be the procedure and I apologize if it is.
16
            MS. BUTLER: And for GE, Your Honor, this is
17
   Marla Butler again, I will say that with a case this
   size, given the magnitude of issues, you know, I have
18
19
   done what you just described in cases that didn't have
20
   as many issues and as many documents. My view here is
21
   that taking that on in a case of this magnitude
   honestly would be pretty burdensome for both sides and
22
23
   is not likely, that list of Bates numbers honestly is
24
   not likely to be very accurate because of the volume
25
   of documents and the number of issues here. And so
```

```
1
                         PROCEEDINGS
                                                   44
   that's why we didn't request that of Spectrum. We are
2
3
   taking on the burden for documents that are produced
   by Spectrum of reviewing the documents and
   determining, you know, what they relate to ourselves.
5
              You know, what we did note in that first
6
7
   kind of production of less than 2,000 documents that
   Spectrum has made so far is that there are a lot of
8
9
   documents that are completely unrelated to this case
10
   and we don't want that to be the case for this
11
   enormous production of 350,000.
12
            THE COURT: Well is Spectrum making a
13
   relevance determination, are its document reviewers
14
   doing that exercise?
15
            MR. PEJIC: Your Honor, we have worked with
16
   the client to identify what we believe to be the
17
   relevant sets of files. We have produced them. We have
18
   been over inclusive, but what I'm actually hearing
19
   here is Your Honor asked the parties about ESI a
20
   couple of hearings ago and I think the parties
21
   misunderstood each other as to the procedure for
22
   production set out in the protective order. And I'd
23
   ask Your Honor that perhaps the parties should engage
   in a discussion of keyword searches and that may
24
25
   resolve this issue here. Because I think that that's
```

```
1
                         PROCEEDINGS
                                                   45
2
   what I'm hearing.
3
            THE COURT:
                         That's not what you're hearing,
   Mr. Pejic. So if, this doesn't have to do with
4
5
   keywords, this has to do with once you've collected
   and segregated the review population, then your
6
7
   document reviewers are marking them as responsive or
   nonresponsive, relevant or not relevant to the
8
9
   document request --
10
            MR. PEJIC: And we did that to the best of our
11
   ability and I'd note in looking at GE's production,
12
   we're finding several documents, well (indiscernible)
13
   lots of documents that are irrelevant, lots of dupes,
14
   and --
            THE COURT: Well, unfortunately in ESI, and
15
16
   unfortunately in discovery, the technology is not
17
   perfect. And so often duplicates, you know, the
18
   deduping is not perfect. And much of discovery ends up
19
   producing marginally relevant or potentially
20
   irrelevant documents. I mean this is the real problem
21
   with electronic discovery and discovery in general.
   And it's a real problem with overbroad requests. So to
22
23
   the extent that parties don't target the request and
   are worried about incomplete collection and
24
25
   production, there's a tension there and it results in
```

1 PROCEEDINGS 46 these much larger productions, much larger time, you 2 3 know, longer time to review things. And, you know, most of what's produced is never, ever used at trial or in depositions. And I think everybody on the call 5 are serious lawyers and know this to be true. 6 7 So I think that there is nothing more to talk about in this issue, on this issue. It sounds like 8 9 most sides have review teams that are reviewing for 10 relevance or not relevant and let's move on. 11 Your Honor, can I just ask one MS. BUTLER: 12 question on this? Do I understand Mr. Pejic to have 13 confirmed that their review team is reviewing on a 14 document by document basis each document for relevance 15 and responsiveness? 16 MR. PEJIC: To be honest with you, Your Honor, 17 I don't understand that question. Because the first 18 aspect is, the question is, is this like the old days 19 when you sit in the conference room with a banker's 20 box of documents and look at each one, no, we did not 21 do that. But if GE's question is did we get the 22 documents and review them, and then produce them after 23 running searches for both relevance and privilege, 24 yes, that's what we did. And to the extent that 25 they're complaining about these junk files or whatever

```
1
                         PROCEEDINGS
                                                   47
   they are, as I told Your Honor, I'm not good with
2
3
   technology but the parties did agree how the documents
   were supposed to be produced and that's pursuant to
 4
   the protective order. And I've offered at every level
5
   if they would like us to remove certain files, happy
 6
7
   to do so, but in my experience, it's been you do not
   touch documents after they have been through the
8
9
   vendor and to be produced because there's imbedded
10
   stuff, there's different things, and the next thing
   you know we're in a big fight and a motion to compel
11
12
   because a video doesn't work.
13
            THE COURT: But your, you have a document
14
   review team, do you not?
15
            MR. PEJIC: Correct.
16
            THE COURT: And that document review team is
17
   marking documents on a review platform from
   production, is that correct?
18
19
            MR. PEJIC: Correct, Your Honor.
20
            MS. BUTLER: But, Your Honor, are they
21
   reviewing each of, are they reviewing --
                         This is, I don't really want to
22
            THE COURT:
23
   have this discussion anymore because you need to look
24
   at the documents, Ms. Butler, and it sounds to me like
25
   they have a review team in process. If the review team
```

```
1
                          PROCEEDINGS
                                                      48
   is not looking at individual documents, I don't know
2
3
   what they would be doing, otherwise would be doing.
 4
   There are search terms applied, there's a review of
   documents and they're produced. So that's, there is no point
5
   in a review team if you're just doing a document dump. So
6
7
   this matter is, we've talked enough about it.
             Let's move on to the specificity of the invalidity
8
9
   contentions. Here, with respect to the 595 patent, that may
10
   be, I guess what I'd want to understand, the 595 patent,
   you're saying, Spectrum is saying still has trade secrets in
11
12
   it but GE may be withdrawing its patent infringement claim
13
   as to that patent. So what is it that, what is the issue
14
   here, Ms. Butler? Spectrum says this argument is not
15
   really, this is a nonissue now?
16
             MS. BUTLER: Your Honor, and I'll limit my
17
   discussion to the 439 patent, assuming that we're not
18
   going to get complete responses from Spectrum and
19
   we'll be able to withdraw the 595 patent. But in
20
   Spectrum's invalidity contentions as they stand right
21
   now, Spectrum has identified, I think it's 11 or so
22
   individual references that Spectrum calls, quote,
23
   "invalidating prior art to the asserted claims of the
   439 patent." In other words, they've identified these
24
25
   11 or so references as each invalidating the 439
```

```
49
 1
                         PROCEEDINGS
2
   patent.
3
            THE COURT:
                         Okay.
                         Spectrum's produced one claim
 4
            MS. BUTLER:
5
   chart for only one of those references, and that's
   what we've been referring to as the 721 PCT
6
7
   application. All we are asking, Your Honor, is for
8
   clarification -- well, I take that back, we're not
9
   asking just for clarification, we are asking spectrum
10
   to do one of two things. Either for the other 10
11
   references that they did not chart, to provide claim
12
   charts for them. Because GE has no way of knowing
13
   which element of which claim is found where in each of
14
   those prior art references. So we want Spectrum to
15
   either chart all of those references, or we want
16
   Spectrum to amend its invalidity contentions to be
17
   consistent with what's it's been telling the Court on
   these calls. And that is that there is only one
18
19
   invalidating reference that they're asserting for the
   721, or for the 439 patent, and that's that 721 PCT,
20
21
   and these other 10 references that they're contentions
22
   call very clearly invalidating prior art, they're not
23
   actually asserting those as invalidating references.
24
            THE COURT:
                         Okay.
25
                        Your Honor, this is Branko Pejic,
            MR. PEJIC:
```

```
50
 1
                         PROCEEDINGS
   may I respond?
2
3
            THE COURT:
                        Yes, please.
            MR. PEJIC: We've been down this road 10 times
 4
   at least, maybe counsel isn't familiar with patent
5
   law, but we've made it very clear in the claim charts
6
7
   which are primary references, which if the references
   apply to the limitations, and in view of the state of
8
9
   the art. The state of the art is not being applied
10
   against the claims, themselves, the state of the art
   is showing what one skilled in the art would have
11
12
   known at the time of invention. And that's the proper
13
   analysis for an obviousness analysis. So there's
   nothing improper.
14
15
            We'll go ahead and make that more clear but,
16
   frankly, I thought it was absolutely clear out of the
17
   claim charts. But if defendants' counsel wants to
18
   continue to muddy the waters, we're more than happy to
19
   clear that up.
20
            THE COURT: Okay, again, I would prefer that
21
   you stop the mudslinging type presentation. I just
22
   want to know whether or not, you know, you can provide
23
   clarification on which element of which claim is
24
   addresses in the prior art. And if the 10 references
25
   to the other prior art aren't applicable, then you
```

```
1
                         PROCEEDINGS
                                                   51
2
   should say so.
3
            MR. PEJIC: And this is Mr. Pejic, Your Honor,
   I thought that was clear from the claim charge that
 4
   calls that the state of art and doesn't apply them to
5
   the claim limitations. Because that's just been my
6
7
   practice for the past couple of decades with these
8
   things.
            But we'll --
9
            THE COURT: Okay, so what I'm hearing from you
10
   is that there's one prior art and the other things are
   just state of the art?
11
12
            MR. PEJIC: Yes. To show what one skilled in
13
   the art would have known at the time of invention.
14
            THE COURT: So the one that you've noted, that
15
   is, in fact, the reference, the 721 PCT, that's the
16
   prior art?
17
            MR. PEJIC: Yes, we refer to those as primary
18
   references because they serve the basis of the
19
   rejection or the invalidity argument.
20
            THE COURT: Okay, so if you can just make that
21
   clarification on your claim chart, then we'll, I think
22
   that should satisfy GE.
23
            MR. PEJIC: Thank you, Your Honor.
            MS. BUTLER: Your Honor, I think that will.
24
25
   Just so we're 100 percent clear, that list of
```

```
1
                         PROCEEDINGS
                                                   52
2
   invalidating prior art references, it lists, and I
3
   counted them while Mr. Pejic was talking, it lists ten
 4
   individual references and then it says state of the
   art. So in other words, we're not talking about the
5
   reference to state of the art, we're talking about
 6
7
   those other nine references on page two of the
   pleading, not in the charts, itself, because they
8
9
   didn't provide charts for them, on page two of the
10
   pleading those non-charted nine references should
   either be removed or claim charts should be provided
11
12
   for them.
13
                         No. No, no, no, no.
            MR. PEJIC:
14
            THE COURT:
                         So what I want to understand, Mr.
15
   Pejic, is what are those nine references, are those
16
   other --
17
            MR. PEJIC:
                         Those are the state of the art.
18
   Honestly, I don't have the contentions, the claim
19
   charts in front of me, but I'm representing to the
20
   Court that those are state of the art and they're not
21
   primary references being applied.
22
            THE COURT:
                         Okay.
23
            MR. PEJIC: And to the extent that these claim
24
   charts aren't clear enough, we will supplement them
25
   and make that clear that we have primary reference and
```

```
1
                         PROCEEDINGS
                                                   53
2
   then what the state of the art is showing what one
3
   skilled in the art would know.
            THE COURT: All right, and make clear that
 4
   this is the only primary art you're relying on, or
5
   these are the only primary arts, you know, if it's
6
7
   more than one. But if it's just this one make that
   clear, okay?
8
9
            MR. PEJIC: Absolutely, Your Honor, I'll try
10
   to make it as clear as I have on the phone.
11
            THE COURT: Okay, thank you. So let's look at
12
   the next issue which is the requests for admit, I've
13
   already addressed that. Then the access to former
14
   employees, I'm not sure I'm happy with either party's
15
   solution. It seems to me that Spectrum can talk with
16
   former employees and in each case there's some ethical
17
   quidelines for counsel where, you know, you identify
   who you are and that you would tell any employee,
18
19
   former employee or supervisory employee that you are
20
   not seeking and you do not want them, you are
21
   instructing them not to reveal privileged information.
22
   But it seems to me, the way I've handled this before,
23
   is that there's just an agreed upon, agreed upon
24
   statement that's provided and as in my former life as
25
   a litigator, if this exercise was being done, counsel
```

1 PROCEEDINGS 54 2 who was reaching out to those, that population, would 3 want to have something documented about what warning 4 was said to avoid any kind of blame of overreach or ethical violation. So it seems to me that this perhaps 5 should just be dealt with as what is the statement 6 7 that would be made or the warning, if you will, that would be made to the former employee before talking 8 9 with the former employee. 10 MS. BUTLER: Your Honor, we're happy to kind of work with Spectrum to come up with something in 11 12 that regard. Our main concern is that oftentimes, you 13 know, these employees may have been gone from GE for a 14 long time. And they may have information that is 15 privileged information but individuals, especially 16 when they've been separated from the organization for 17 some time, may not, number one, appreciate what 18 exactly is a privileged communication, and number two, 19 may not even recall that its privileged. And so what 20 we're trying to do is get in front of this to avoid a 21 former employee unwittingly communicating privileged information. 22 23 The second thing that we're trying to 24 accomplish here is that, so Spectrum has already sued 25 five individual employees of GE. In other words,

```
1
                         PROCEEDINGS
                                                   55
   they're passed suing individuals for misappropriation.
2
3
   And we think that it's important for any former
 4
   employee, before they have a conversation with
   Spectrum's counsel with the lawyers that sue
5
   individuals for misappropriation, for them to
6
7
   understand the implications of that phone call.
            What we don't want is this combination of them
8
9
   divulging privileged communications not knowing that
10
   they're privileged and walking themselves into being
11
   sued by Spectrum. And so we believe that it makes
12
   sense for the protocol that we've set up to avoid, or
13
   that we have suggested, Your Honor, to avoid both of
14
   those concerns.
15
            MR. PEJIC: Your Honor --
16
            THE COURT:
                        I think, hang on a second. I think
17
   it's unnecessarily burdensome, what you're proposing.
18
   Let me just, and just hang on one second because I
19
   have another case where I just did something like
20
   this, I'm just looking now. Just bear with me for a
21
   moment. I think this is it, hang on.
22
            Okay, so what I've done recently is that
23
   parties are, say parties are free to interview former
24
   employees who are not represented by counsel,
25
   providing that the requesting party does not exert
```

```
1
                         PROCEEDINGS
                                                   56
   undue influence on the former employee, and advises
2
3
   the former employee prior to any substantive
 4
   communication that the requesting party is an attorney
   in this lawsuit and specify what party they represent,
5
   that the former employee is under no obligation to
 6
7
   speak with counsel and that any conversations are
   voluntary. That the former employee should not
8
9
   disclose any confidential or privileged information,
10
   and that the former employee is free to seek
   representation of counsel. And then the term
11
12
   privileged information obviously would mean attorney-
13
   client privilege communication or work product.
14
   confidential information I think, you know, you can
15
   put a plain language. So it would be information not
16
   generally known or available to the public that is
17
   used directly for business, provides the entity with
18
   an economic advantage, and that the entity takes
19
   reasonable effort to protect from public disclosure.
20
   And should any former employee inadvertently disclose
21
   privilege or confidential information, that
   information shall automatically be deemed protected by
22
23
   the protective order. And if the, if there is an
   inadvertent disclosure there will be a notification to
24
25
   the other side.
```

1 PROCEEDINGS 57 2 And so that's what I've done in the past, that 3 kind of order. And I think something like that could 4 work well here. MR. PEJIC: Your Honor, for Spectrum I think 5 that that's a great approach. 6 7 MS. BUTLER: Your Honor, GE can work with that. I think that the devil is in the details, so to 8 9 speak, the parties will have to get together and agree 10 on, you know, the script or whatever we call it. But 11 we are obviously going to work with Spectrum to get to something agreeable. 12 13 THE COURT: Well what I can do is I can simply 14 issue an order. I have done this very, I have done 15 this recently and I can issue an order like this. And 16 if you want a modification of it or agree to a 17 modification of it, you can, of course, do that and 18 propose it to me. I'm thinking about making it easier 19 for you so that you don't have to get into disputes 20 about it. 21 MR. PEJIC: Your Honor, this is Mr. Pejic for 22 Spectrum, I think that that's a great approach and we 23 would appreciate Your Honor's guidance. 24 MS. BUTLER: Your Honor, the only reservation 25 or hesitation I have is the issue of confidential

```
1
                         PROCEEDINGS
                                                   58
   information. All of these individuals are GE
2
3
   engineers who are working on products, and until it's
   public all if it's confidential. And I would just
 4
   want to make sure that the definition --
5
            THE COURT: (indiscernible) because we're
 6
7
   talking about former.
            MS. BUTLER: That's right. But what they did
8
9
   while they were at GE -- absolutely, Your Honor, but
10
   what they did while they were at GE, they're engineers
   working on then developing GE products. And at least
11
12
   at that time, those details were confidential. And to
13
   put, I just want to have a definition of confidential
   that -- that makes sure that that's clear.
14
15
            THE COURT: So what I'm going to do is I'm
16
   going to issue an order about this, a protocol. And if
17
   you have some issue with it, you can raise it with me
18
   and I'll consider a modification. But I'll include a
19
   definition of confidential information similar to what
20
   I've stated which is a pretty conventional definition.
21
   And remember, this is information that's got to be
22
   provided to the individual and so it's also got to be
23
   in plain language.
            MS. BUTLER: Understood, Your Honor.
24
25
            THE COURT: Most people are not lawyers,
```

```
1
                         PROCEEDINGS
                                                   59
   right? So you don't want to, you don't want to track
2
3
   whatever language you have, you know, in an NDA that
 4
   you have with your employees that they may sign,
   because that thing probably is three pages, four pages
5
   long or longer with all kinds of legalese, and that's
6
7
   really not going to be helpful to either side. So I
   think you want to have a simple but clear direction as
8
9
   to what is confidential, right?
10
            MR. PEJIC: Yes, Your Honor, thank you.
            THE COURT: Okay, so I'll issue this order and
11
12
   it will be, to the extent GE thinks that there's some
13
   serious issue with it, you can write to me and I'll
14
   consider a modification. But the order will be
15
   intended to protect each side's confidential and
16
   proprietary information and trade secrets, as well as
17
   privileged information.
18
            Okay, so I think we are done with the issues
19
   that were in your letter. And going forward, just to
20
   repeat what you all need to do, over the next month I
21
   want you to focus on the document production and be
22
   prepared to report where you are and when you will be
23
   completed, you know, have greater clarity on that. I
   want you to limit your letter, your agenda letter to
24
25
   six pages and I want you to focus on this 595 patent
```

Case 1:18-cv-11386-VSB-KHP Document 208-1 Filed 03/22/21 Page 61 of 62

```
1
                                                     60
                         PROCEEDINGS
2
   issue so that you can determine whether that
3
   counterclaim, the patent claim is coming out of the
   case. Okay?
4
             Anything further from plaintiffs?
5
6
            MR. PEJIC: This is Mr. Pejic, Your Honor, I
   don't believe so, thank you very much for your time.
7
             THE COURT: Anything further from GE?
8
9
             MS. BUTLER: Nothing from GE, Your Honor.
10
             THE COURT: Okay, great. I hope everybody has
11
   a good day, we're adjourned.
12
                 (Whereupon, the matter is adjourned.)
13
14
15
16
17
18
19
20
21
22
23
24
25
```

Case 1:18-cv-11386-VSB-KHP Document 208-1 Filed 03/22/21 Page 62 of 62

1	61
2	
3	<u>CERTIFICATE</u>
4	
5	I, Carole Ludwig, certify that the foregoing
6	transcript of proceedings in the case of Spectrum Dynamics
7	Medical Limited versus General Electric Company, et al.,
8	Docket #18cv11386, was prepared using digital transcription
9	software and is a true and accurate record of the
10	proceedings.
11	
12	
13	Signature
14	Carole Ludwig
15	Date: February 26, 2021
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	